

AGENDA ITEM



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing Repayment of HOME Program Funds to San Joaquin County and Appropriating Funds (\$75,000)

MEETING DATE: March 16, 2010

PREPARED BY: Community Development Department

RECOMMENDED ACTION: Adopt resolution authorizing the repayment of HOME Program funds to San Joaquin County and appropriating funds (\$75,000).

BACKGROUND INFORMATION: In 2001, the City allocated \$75,000 in Home Investment Partnerships (HOME) Program funds to Affordable Renovated California Housing, Inc (ARCH), to purchase, rehabilitate and resell residential properties as affordable housing units. At the time of that allocation, ARCH had one residential rehabilitation project underway on East Locust Street that was subsequently completed and sold to a qualified low-income homebuyer.

Using funds from a private investor that were secured by a note against the properties, ARCH eventually purchased 1301 S. Washington Street and 460 Elgin Avenue and started renovations using the City's HOME program funds, which were administered by the County's Housing Rehabilitation staff.

In 2004, it came to the County's attention that ARCH had fallen behind on the primary investor's note and that a foreclosure process had been initiated. At that time, the City was presented with two options to preserve the investment of HOME program funds. The City could assume the primary loan, hire a contractor to complete the renovations and then sell the property, or the City could allow the primary lender to foreclose on the two properties and write off the loss. The County did clarify that because no affordable housing units had been created, the City would be required to repay the \$75,000 to the County at some point, but that \$75,000 would be treated as program income which would be available for subsequent reallocation to an eligible program or activity. As the City did not have the necessary funding available at the time to complete the rehabilitation, the decision was made to let the foreclosure proceed. The documents related to that foreclosure are attached as Exhibit A.

The recent sale of City-owned property on Tienda Drive to Eden Housing for future development of an affordable senior housing project has provided the funding necessary to repay that \$75,000. As the City and County are currently working on drafting a Separation Agreement to complete the transition from Urban County to an Entitlement community, it is recommended that the funds be appropriated from the General Fund Capital Outlay account that received the proceeds of the sale of the property and that Council authorizes repayment to San Joaquin County.

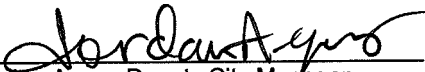
APPROVED: _____

A handwritten signature in dark ink, appearing to be "KB", written over a horizontal line.

Konradt Bartlam, City Manager

FISCAL IMPACT: The \$630,000 that was received in the sale of the Tienda Drive property and placed in the General Fund Capital Outlay account for subsequent development of Roget Park will be reduced to \$555,000.

FUNDING AVAILABLE: Requested Appropriation: General Fund Capital Outlay account \$75,000


Jordan Ayers, Deputy City Manager


Konrad Bartlam
Community Development Director

Attachments

KB/jw



**SAN JOAQUIN COUNTY
COMMUNITY DEVELOPMENT DEPARTMENT**

1810 E HAZELTON AVE., STOCKTON, CA 95205-6232
PHONE: 209/468-3121 FAX: 209/468-3163

February 11, 2011

Rad Bartlam, City Manager
City of Lodi
221 W. Pine Street
Lodi, CA 95240

Subject: Repayment of HOME Project Expense

Dear Mr. Bartlam:

Thank you for meeting with me last Tuesday to discuss this issue. At your request during this meeting, I am attaching the following information relative to the HOME funded projects on 460 Elgin Avenue and 1301 S. Washington Street, Lodi:

- Copy of Note for each property/project.
- Copy of Trustee's Deed Upon Sale (foreclosure) for each property/project.
- Copy of Summary Title Report Reflecting Deed of Trust before Trustee Sale for each property

Also, I have prepared a draft CDBG Separation Agreement and Resolution which I will forward via email to Joseph Wood, Neighborhood Services Manager, for review and comment.

Thank you for your assistance in resolving this outstanding issue.

Should you have any questions or require additional information, please feel free to contact me at (209) 468-3065.

Sincerely,


Jonathan M. Moore
Chief Deputy Director

Attachments
C: J. Wood, City of Lodi
C. Beccera, SJCCDD

EXHIBIT A

**RENEWAL OF NON-INTEREST BEARING NOTE
SECURED BY DEED OF TRUST
RECORDED ON SEPTEMBER 17, 2002; INSTRUMENT NUMBER 2002-160248**

DO NOT DESTROY THIS ORIGINAL NOTE:

When paid, said Original Note, together with the Deed of Trust securing same, must be surrendered to Trustee for cancellation and retention before reconveyance will be made.

F:\OVE\Loan Documents\ARCH Inc Projects\460 Elgin Av\Note Renewal.doc

In consideration for an increase in the loan amount, the DEED OF TRUST recorded on September 17, 2002, (Instrument # 2002-160248) is modified to read as follows:

\$32,500.00 for the property located at 460 Elgin Avenue, Lodi, California

On April 14, 2003, for value received, I (we): Affordable Renovated California Housing, Inc.,

hereinafter referred to as **MAKER**, promise to pay to:

San Joaquin County
Community Development ~~Department~~
Neighborhood Preservation Division
1810 E. Hazelton Ave.
Stockton, CA 95205

, hereinafter referred to as **NOTE HOLDER** or order, the sum of:

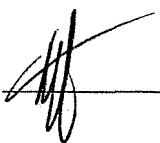
Thirty-Two Thousand Five Hundred Dollars

with interest, from the date of the signing of this NOTE, on the unpaid principal balance, at the rate of 0% per annum, until maturity, two (2) years from the date of signing of the NOTE dated September 12, 2002, at which time all sums of principal and interest then remaining unpaid shall be due and payable in full. Interest shall be calculated on a 360 day year and on an ordinary annuity calculation basis. Any payment shall be credited first on interest then due and the remainder on principal; and interest shall thereupon cease upon the principal so credited. Principal and interest is payable in lawful money of the United States of America. Except where Federal Law is applicable, this NOTE shall be construed and enforceable according to the laws of the State of California for all purposes. Time is of the essence for each and every obligation under this NOTE.

If this NOTE is not paid when due, MAKER promises to pay, in addition to the principal due under this NOTE, all costs of collection and any reasonable attorney's fees incurred by the NOTE HOLDER thereof on account of such collection, whether or not suit is filed hereon. Each MAKER consents to renewals, replacements, and extensions of time for payment hereof before, at, or after maturity; consents to the acceptance of security for this NOTE and waives demand, protest and any applicable statute of limitations.

MAKER and NOTE HOLDER agree that it would be difficult to determine the actual damages to the NOTE HOLDER for the return of an unpaid check provided by MAKER. It is hereby agreed that MAKER will pay the sum of \$18.00 for return of an unpaid check. This amount is in lieu of any statutory monetary penalty, if any, however, NOTE HOLDER does not waive any other rights that may be awarded under any statute.

Initial: _____



THE FOLLOWING PROVISIONS COULD RESULT IN THE ACCELERATION OF YOUR LOAN AND/OR GRANT YOU ADDITIONAL CONTRACTUAL RIGHTS EXTENDING THE MATURITY DATE OF THIS LOAN.

The undersigned MAKER acknowledges the fact that the funds (money) which the MAKER receives under this NOTE are Federal moneys granted to the NOTE HOLDER for use only in Federally authorized housing programs. The Housing Program under which these funds are loaned to MAKER, has been established by NOTE HOLDER and said program complies with and augments applicable Federal rules and regulations. The amount received by MAKER and the promise to repay are evidenced by this NOTE which is secured by a Deed of Trust on the real property to be assisted by the program funds. MAKER(s) agrees that payment on this NOTE is DEFERRED until such time as any one or more of the following occurs:

1. In the event of sale or transfer, conveyance or alienation of said real property, or any part thereof, or any interest therein, whether voluntary or involuntary, NOTE HOLDER shall have the right of acceleration, at its option, to declare the NOTE secured by the Deed of Trust, irrespective of the maturity date expressed therein, and without demand or notice, immediately due and payable. No waiver of this right shall be effective unless it is in writing. Consent by the NOTE HOLDER to one such transaction shall not constitute waiver of the right to require such consent to succeeding transactions.
2. In the event the original MAKER of this NOTE secured by a Deed of Trust, should cease to occupy the real property, which is the subject of the Deed of Trust, NOTE HOLDER shall have the right of acceleration, at its option, to declare the NOTE secured by the Deed of Trust, irrespective of the maturity date expressed therein, and without demand or notice, immediately due and payable. No waiver of this right shall be effective unless it is in writing. Consent by the NOTE HOLDER to one such transaction shall not constitute waiver of the right to require such consent to succeeding transactions.
3. The maturity date and terms of this NOTE have the following provisions:
 - a. At least 30 days prior to the maturity date of this NOTE and 30 days prior to each five-year anniversary thereafter, or at any other time requested by the NOTE HOLDER, the MAKER shall provide:
 - i. Documentation of adjusted annual gross income on completed and filed 1040 Federal Tax Forms from the year previous to the maturity date (or equivalent documentation showing proof of income), and;
 - ii. Information regarding the current monthly housing costs, including payments on any senior lien on the subject real property to the Deed of Trust which is security for this NOTE, property taxes, homeowner's insurance and utilities.
 - b. If the MAKER's adjusted annual gross income is less than 80 percent of the San Joaquin County median income established by the Federal Government, or if the MAKER's current monthly housing costs are in excess of 35 percent of the MAKER's adjusted annual gross income divided by 12, the payment on the loan will remain unchanged for another five-year period. The loan shall continue to bear interest at the rate of 0% per annum.
 - c. If the MAKER's adjusted annual gross income is 80 percent or more of the San Joaquin County median income established by the Federal Government and if the MAKER's current monthly housing costs are not in excess of 35 percent of the MAKER's annual adjusted gross income divided by 12, the NOTE shall not immediately become due and payable; instead the NOTE or a portion of the NOTE shall be converted to a fully amortizing payment NOTE. The payment shall be calculated to be at the maximum amount of a monthly payment which will not cause the MAKER's monthly housing costs to exceed 35 percent of the MAKER's adjusted annual gross income divided by 12. The NOTE HOLDER, at its option, after consideration of the financial situation of the MAKER, may determine that all or some portion of the NOTE be DEFERRED for another five-year period. Any portion of the NOTE that is DEFERRED shall bear the same interest rate and any amortized portion shall be at 0% per annum.

Excluded from the operation of the above provisions are the following:

1. The sale, transfer by operation of law or otherwise, gift or devise of an interest in the subject real property by a joint tenant to another joint tenant so long as the joint tenancy existed at the time the loan was made and that at said time the vendor, transferor, donor or devisor and the vendee, transferee, donee, or the devisee were the record joint tenancy owners of an interest in the subject real property.
2. The sale, transfer by operation of law or otherwise, gift or devise of an interest in the subject real property by a tenant in common to another tenant in common so long as the tenancy in common existed at the time the loan was made and that at said time the vendor, transferor, donor or devisor and the vendee, transferee, donee, or the devisee were the record tenant in common owners of an interest in the subject real property.
3. The sale, transfer by operation of law or otherwise, gift or devise of an interest in the real property by one spouse to the other spouse.

Anything contained above to the contrary notwithstanding, cessation of owner(s) fulfillment of any of the obligations of the subject real property is one of the circumstances which, upon its occurrence, shall for all purposes be considered as establishing a due date.

460 Elgin

Jerry D. Becker
c/o Mortgage Market, Inc.
7001 Village Parkway
Dublin, CA 94568

DOC # 2004-152758
07/12/2004 08:33A Fee:10.00
Page 1 of 2
Recorded in Official Records
County of San Joaquin
GARY W. FREEMAN
Assessor-Recorder-County Clerk
Paid by FIRST AMER TITLE CO

MAIL TAX STATEMENTS TO

Same as above

2175433 JB

Space above this line for recorder's use only

Trustee Sale No. NCS-77722-CC Loan No. Title Order No. 2175433

TRUSTEE'S DEED UPON SALE

APN 062-070-37 T.R.A. No. 001-001

The undersigned grantor declares:

- 1) The Grantee herein was the foreclosing beneficiary and this is a first deed of trust.
- 2) The amount of the unpaid debt together with costs was\$176,425.01
- 3) The amount paid by the grantee at the trustee sale was\$168,135.01
- 4) The documentary transfer tax is \$ -0-
- 5) Said property is in the City of Lodi

and First American Title Insurance Company, a California Corporation (herein called Trustee), as the duly appointed Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or implied, to **Jerry D. Becker, Trustee, Defined Benefit Trust** (herein called Grantee), **all** of its right, title and interest in and to that certain property situated in the County of San Joaquin, State of California, described as follows:

Lot 17, **as** shown on that certain Map entitled Gunsch-Edinger Tract, Tract No, 176, filed for record April 23, 1952 in Book 13 of Maps and Plats, Page 116, San Joaquin County Records.

RECITALS:

This conveyance **is** made pursuant **to** the powers **conferred** upon Trustee **by** that certain Deed of Trust dated 09/12/2002 and executed by Affordable Renovated California Housing, Inc., a California corporation, as Trustor, and Recorded on 09/17/2002 **as** Instrument number 2002-160247 of official records of San Joaquin County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance,

Default occurred **as** set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County, and such default still existed at the time of sale.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

THIS INSTRUMENT FILED FOR RECORD BY FIRST AMERICAN TITLE INSURANCE COMPANY AS AN ACCOMMODATION ONLY. IT HAS NOT BEEN EXAMINED AS TO ITS EXECUTION OR AS TO ITS EFFECT UPON THE TITLE.

Trustee Sale No. NCS-77722-CC
Loan No.
Title Order No. 2175433

Trustee, in compliance with said Notice of Trustee's Sale and in exercise of its powers under said Deed of Trust, sold the herein described property at public auction on 07/01/2004. Grantee, being the highest bidder at said sale, became the purchaser of said property for the amount bid being \$168,135.01 in lawful money of the United States, or by credit bid if the Grantee was the beneficiary of said Deed of Trust at the time of said Trustee's Sale.

DATE: 7/7/04

First American Title Insurance Company, as Trustee


Debbie Jackson, Assistant Secretary

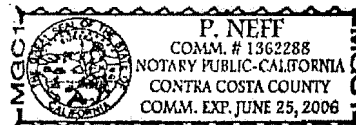
STATE OF California
COUNTY OF Contra Costa

On 7/6/04 before me, the undersigned, a Notary Public in and for said county, personally appeared Debbie Jackson personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Notary Public in and for said County and State



2004-152758
07/12/2004 08:33A
2 of 2

8
Recording Requested By

North American Title Company
Order No. 55803-03035911-TOO
Escrow No. 547 10-54400401-SBP

AND WHEN RECORDED MAIL TO:

Name Shirley A. Olsen
Street 1503 Lakeshore Drive
Address Lodi, Ca. 95242
City &
State

DOC # 2004-171901

08/03/2004 07:22A Fee:10.00

Page 1 of 2 Doc 1 Tax Paid

Recorded in Official Records

County of San Joaquin

GERRY W. FREEMAN

Assessor-Recorder-County Clerk

Paid by NORTH AMER TITLE CO



SPACE ABOVE THIS LINE FOR RECORDER'S USE

INDIVIDUAL GRANT DEED

A.P.N. 062-070-37

The undersigned **grantor(s)** declare(s):

Documentary transfer tax is \$ 192.50.

City transfer tax is \$ NONE

(☒) computed on full value of property conveyed, or

(☐) computed on full value less value of liens and encumbrances remaining at time of sale.

(☒) Unincorporated area: (☐) City of _____, and

FOR A **VALUABLE** CONSIDERATION, receipt of which is hereby acknowledged,

Jerry D. Becker, Trustee, Defined Benefit Trust

hereby **GRANT(s)** to Shirley A. Olsen , a widow

the following described real property in the Unincorporated Area, County of San Joaquin, **State** of California:

LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A" AND MADE A PART HEREOF

Dated July 27, 2004

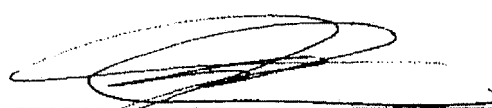
STATE OF CALIFORNIA,

COUNTY OF Contra Costa)SS.

On 7/28/04 before me,

S. Payne, personally appeared

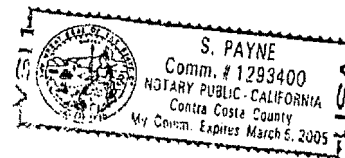
Jerry D. Becker


Jerry D. Becker, Trustee, Defined Benefit Trust

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature 



(This ~~am~~ for official notarial seal)

MAIL TAX

STATEMENTS TO:

NAME

ADDRESS

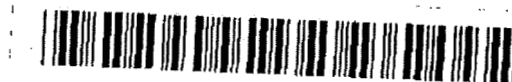
CITY, STATE, ZIP

Description:

The land referred to herein is situated in the State of California, County of San Joaquin, City of Lodi, and is described as follows:

LOT 17, AS SHOWN ON THAT CERTAIN MAP ENTITLED GUNSCH-EDINGER TRACT, TRACT NO. 176, FILED FOR RECORD APRIL 23, 1952 IN BOOK 13 OF MAPS AND PLATS, PAGE 116, SAN JOAQUIN COUNTY RECORDS.

APN: 062-070-37



2004-171901
08/03/2004 07:22A
2 of 2

PIRT

Attention:

Loan Ref:

DATE OF POLICY 01/14/04 7:30 AM	COUNTY SAN JOAQUIN	BORROWER HOUSING, AFFORDABLE	POLICY NO. 53400161 -
NAME OF INSURED SAN JOAQUIN COUNTY COMMUNITY DEVEL.			

The assurances referred to on the face page are:

- A. The latest available equalized assessment roll in the office of the Assessor of said County discloses the following with the respect to the land referred to herein:

TAX PARCEL NO. 062 070 37			ASSESSED VALUATION LAND \$60,000.00
1ST INSTALLMENT \$ 769.28 PENALTY 76.93	STATUS DELINQUENT	TAX YEAR 2003/2004	IMPROVEMENTS \$86,000.00
2ND INSTALLMENT \$ 769.28	STATUS OPEN	TOTAL TAXES \$ 1,538.56	EXEMPTION \$0.00

--

--

EXCEPTIONS

1. DEED OF TRUST IN THE AMOUNT OF \$160,000.00

TRUSTOR: AFFORDABLE RENOVATED CALIFORNIA HOUSING, INC. A
CALIFORNIA CORPORATION
TRUSTEE: FIDELITY NATIONAL TITLE COMPANY OF CALIFORNIA, A
CALIFORNIA CORPORATION
BENEFICIARY: JERRY S. BECKER, TRUSTEE, DEFINED BENEFIT TRUST
RECORDED: SEPTEMBER 17, 2002, AS DOCUMENT NO. 2002-160247,
OFFICIAL RECORDS

2. DEED OF TRUST IN THE AMOUNT OF \$25,000.00

TRUSTOR: AFFORDABLE RENOVATED CALIFORNIA HOUSING, INC.
TRUSTEE: SAN JOAQUIN COUNTY
BENEFICIARY: SAN JOAQUIN COUNTY
RECORDED: SEPTEMBER 17, 2002, AS DOCUMENT NO. 2002-160248,
OFFICIAL RECORDS

3. DEED OF TRUST IN THE AMOUNT OF \$20,000.00

TRUSTOR : AFFORDABLE RENOVATED CALIFORNIA HOUSING, INC.
TRUSTEE: ROBERT L. JOHNSON
BENEFICIARY: ROBERT L. JOHNSON AND MONYA R. JOHSON TRUSTEE OF THE
ROBERT L. JOHNSON AND MONYA R. JOHNSON TRUST, DATED
NOVEMBER 10, 2000
RECORDED: APRIL 24, 2003, AS DOCUMENT NO. 2003-086929, OFFICIAL
RECORDS

* * * END OF REPORT * * *

JJ/JJ
1-29-04

PLEASE SEND DOCUMENTS FOR RECORDING TO:

CHICAGO TITLE PIRT DEPARTMENT
3663 Arch Road Suite F
Stockton, CA 95215
Phone: (209) 476-4333
Fax: (209) 476-4355

DESCRIPTION

Order No. 53400161 -

LOT 17, AS SHOWN ON THAT CERTAIN MAP ENTITLED GUNSCH-EDINGER TRACT, TRACT NO. 176, FILED FOR RECORD APRIL 23, 1952 IN BOOK 13 OF MAPS AND PLATS, PAGE 116, SAN JOAQUIN COUNTY RECORDS.

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

- (a) "insured": the insured name in Schedule A.
- (b) "insured claimant": an insured claiming loss or damage hereunder.
- (c) "loss or damage": the out of pocket loss suffered by the insured in reliance upon the assurances of this policy.
- (d) "knowledge": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of any public records.
- (e) "land": the land described, specifically or by reference in Schedule A, and improvements affixed thereto which by law constitute real property.
- (f) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

2. NOTICE OF CLAIM TO BE GIVEN BY AN INSURED CLAIMANT

The insured shall notify the Company promptly in writing in case knowledge shall come to an insured hereunder of any claim for which the Company may be liable by virtue of this policy. If such prompt notice shall not be given to the Company, then as to such insured all liability of the Company shall cease and terminate in regard to the matter or matters for which prompt notice is required: provided, however, that failure to notify shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by such failure and then only to the extent of such prejudice.

3. PROOF OF LOSS OR DAMAGE—LIMITATION OF ACTION

In addition to the notice required under Paragraph 2 of these Conditions and Stipulations, a proof of loss or damage, signed and sworn to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain or determine the facts giving rise to such loss or damage. Such proof of loss or damage shall describe the matter insured against by this policy which constitutes the basis of loss or damage, and, when appropriate, state the basis of calculating the amount of such loss or damage.

Should such proof of loss or damage fail to state the facts sufficient to enable the Company to determine its liability hereunder, insured claimant, at the written request of the Company, shall furnish such additional information as may be reasonably be necessary to make such determination.

No right of action shall accrue to insured claimant until 30 days after such proof of loss or damage shall have been furnished.

Failure to furnish such proof of loss or damage shall terminate any liability of the Company under this policy as to such loss or damage.

4. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS

The Company shall have the option to pay or otherwise settle for or in the name of an insured claimant any claim insured against, or to terminate all liability and obligations of the Company hereunder by paying or tendering payment of the amount of loss or damage or the amount of insurance under this policy.

5. DETERMINATION AND PAYMENT OF LOSS

(a) The liability of the Company under this policy shall in no case exceed the least of:

- (i) the actual loss of the insured claimant because of reliance on the assurances herein set forth; or
- (ii) the amount of insurance stated in Schedule A.

(b) When the amount of loss or damage has been definitely fixed in accordance with the conditions of the policy, the loss or damage shall be payable within 30 days thereafter.

6. LIMITATION OF LIABILITY

No claim shall arise or be maintainable under this policy (a) if the Company, after having received notice of an alleged lien or mortgage insured against hereunder, by litigation or otherwise, removes such lien or mortgage within a reasonable time after receipt of such notice; (b) in the event of litigation, until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the assurances of this policy; or (c) for the liability voluntarily admitted or assumed by an insured without prior written consent of the Company.

7. REDUCTION OF INSURANCE TERMINATION OF LIABILITY

All payments under this policy, shall reduce the amount of the insurance pro tanto.

8. SUBROGATION UPON PAYMENT OR SETTLEMENT

Whenever the Company shall have paid or settled a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant. The Company shall be subrogated to and be entitled to all rights and remedies which such insured claimant would have had against any person or property in respect to such claim had this policy not been issued, and the Company is hereby authorized and empowered to sue, compromise or settle in its name or in the name of the insured to the full extent of the loss sustained by the Company. If requested, the insured shall execute any and all documents to evidence the within subrogation. If the payment does not cover the loss of such insured claimant, the Company shall be subrogated to such rights and remedies in the proportion which said payment bears to the amount of said loss. If loss should result from any act of such insured claimant, such act shall not void this policy, but the Company, in that event, shall as to such insured claimant be required to pay only that part of any losses insured against hereunder which shall exceed the amount, if any, lost to the Company by reason of the impairment of the right of subrogation.

9. LIABILITY LIMITED TO THIS POLICY

This instrument together with all endorsements and other instruments, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company.

Any claim of loss or damage, whether or not based on negligence, or any action asserting such claim, shall be restricted to the provisions and conditions and stipulations of this policy.

No amendment of or endorsement to this policy can be made except by writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

No payment shall be made without producing this policy for endorsement of such payment unless the policy be lost or destroyed, in which case proof of such loss or destruction shall be furnished to the satisfaction of the Company.

10. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at the office which issued this policy or to:

CHICAGO TITLE INSURANCE COMPANY
CLAIMS DEPARTMENT
171 North Clark
Chicago, IL 60601-3294

To: **Chicago Title Company**

PIRT Policy No. _____

Date _____

RECORDING INSTRUCTIONS

DOCUMENT	FIRST PARTY (BORROWER)	SECOND PARTY (LENDER)	RECORDING FEE

PLEASE MARK THE APPROPRIATE BOXES

- ☐ 1. Please record the above documents as soon as possible.
- ☐ 2. Please record the above documents on _____. (Date)
- ☐ 3. Please fax confirmation after recordation of said documents. (See fax no. below)
- ☐ 4. Please advance funds for recording and bill the undersigned.
- ☐ 5. Enclosed is our check made payable to CHICAGO TITLE COMPANY for the Total of Policy and Recording Fees in the amount of \$_____.
- ☐ 6. Please date down and issue your Continuation Endorsement following recordation of said documents.
- ☐ 7. Please date down and issue your Updated PIRT following recordation of said documents and bill the undersigned. I understand the charge is \$30.00.
- ☐ 8. Please issue your Revolving Credit, Variable Rate Endorsement (RCVE).
- ☐ 9. Please issue your Revolving Credit, Variable Rate Extension Endorsement (RCVEX). I understand that I must have an updated PIRT for \$30.00 if it is less than 6 months since the original policy or a reissued policy @ \$100.00 if it has been more than 6 months. There is no additional cost for the endorsement itself.

Lender's Name		Branch	
Direct Address		City, State	Zip
Submitted By (Please print)		Telephone Area Code	Fax Area Code
Submitted By (Please sign)			Lender's Reference

CHICAGO TITLE INSURANCE COMPANY

POLICY OF INSURANCE OF RECORD TITLE

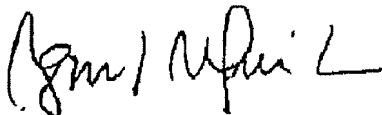
1

CHICAGO TITLE INSURANCE COMPANY

SUBJECT TO THE CONDITIONS AND STIPULATIONS HEREOF, CHICAGO TITLE INSURANCE COMPANY, a Missouri corporation, herein called the Company, insures the insured, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the amount of insurance stated in Schedule A, sustained or incurred by said insured by reason of any incorrectness of the assurances set forth in Schedule A.

CHICAGO TITLE INSURANCE COMPANY

By:



RANDY QUIRK
President

Attest:



TODD JOHNSON
Secretary



POLICY OF INSURANCE OF RECORD TITLE (PIRT)

**RENEWAL OF NON-INTEREST BEARING NOTE
SECURED BY DEED OF TRUST
RECORDED ON JANUARY 7, 2003; INSTRUMENT NUMBER 2003-009295**

DO NOT DESTROY THIS ORIGINAL NOTE:

When paid, said Original Note, together with the Deed of Trust securing same, must be surrendered to Trustee for cancellation and retention before reconveyance will be made.

F:\OVE\Loan Documents\ARCH Inc Projects\1301 S Washington St\Note Renewal.doc

In consideration for an increase in the loan amount, the DEED OF TRUST recorded on January 7, 2003, (Instrument # 2003-009295) is modified to read as follows:

\$42,500.00 for the property located at 1301 S. Washington Street, Lodi, California

On April 14, 2003, for value received, I (we): Affordable Renovated California Housing, Inc.,

hereinafter referred to as MAKER, promise to pay to:

San Joaquin County
Community Development Department
Neighborhood Preservation Division
1810 E. Hazelton Ave.
Stockton, CA 95205

, hereinafter referred to as NOTE HOLDER or order, the sum of:

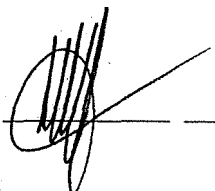
Forty-Two Thousand Five Hundred Dollars

with interest, from the date of the signing of this NOTE, on the unpaid principal balance, at the rate of 0% per *annum*, until maturity, two (2) years from the date of signing of the NOTE dated September 12, 2002, at which time all sums of principal and interest then remaining unpaid shall be due and payable in full. Interest shall be calculated on a 360 day year and on an ordinary annuity calculation basis. Any payment shall be credited first on interest then due and the remainder on principal; and interest shall thereupon cease upon the principal so credited. Principal and interest is payable in lawful money of the United States of America. Except where Federal Law is applicable, this NOTE shall be construed and enforceable according to the laws of the State of California for all purposes. Time is of the essence for each and every obligation under this NOTE.

If this NOTE is not paid when due, MAKER promises to pay, in addition to the principal due under this NOTE, all costs of collection and any reasonable attorney's fees incurred by the NOTE HOLDER thereof on account of such collection, whether or not suit is filed hereon. Each MAKER consents to renewals, replacements, and extensions of time for payment hereof before, at, or after maturity; consents to the acceptance of security for this NOTE and waives demand, protest and any applicable statute of limitations.

MAKER and NOTE HOLDER agree that it would be difficult to determine the actual damages to the NOTE HOLDER for the return of an unpaid check provided by MAKER. It is hereby agreed that MAKER Will pay the sum of \$18.00 for return of an unpaid check. This amount is in lieu of any statutory monetary penalty, if any, however, NOTE HOLDER does not waive any other rights that may be awarded under any statute.

Initial: _____



THE FOLLOWING PROVISIONS COULD RESULT IN THE ACCELERATION OF YOUR LOAN AND/OR GRANT YOU ADDITIONAL CONTRACTUAL RIGHTS EXTENDING THE MATURITY DATE OF THIS LOAN.

The undersigned MAKER acknowledges the fact that the funds (money) which the MAKER receives under this NOTE are Federal moneys granted to the NOTE HOLDER for use only in Federally authorized housing programs. The Housing Program under which these funds are loaned to MAKER, has been established by NOTE HOLDER and said program complies with and augments applicable Federal rules and regulations. The amount received by MAKER and the promise to repay are evidenced by this NOTE which is secured by a Deed of Trust on the real property to be assisted by the program funds. MAKER(s) agrees that payment on this NOTE is DEFERRED until such time as any one or more of the following occurs:

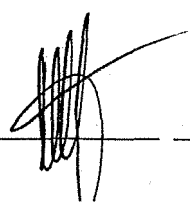
1. In the event of sale or transfer, conveyance or alienation of said real property, or any part thereof, or any interest therein, whether voluntary or involuntary, NOTE HOLDER shall have the right of acceleration, at its option, to declare the NOTE secured by the Deed of Trust, irrespective of the maturity date expressed therein, and without demand or notice, immediately due and payable. No waiver of this right shall be effective unless it is in writing. Consent by the NOTE HOLDER to one such transaction shall not constitute waiver of the right to require such consent to succeeding transactions.
2. In the event the original MAKER of this NOTE secured by a Deed of Trust, should cease to occupy the real property, which is the subject of the Deed of Trust, NOTE HOLDER shall have the right of acceleration, at its option, to declare the NOTE secured by the Deed of Trust, irrespective of the maturity date expressed therein, and without demand or notice, immediately due and payable. No waiver of this right shall be effective unless it is in writing. Consent by the NOTE HOLDER to one such transaction shall not constitute waiver of the right to require such consent to succeeding transactions.
3. The maturity date and terms of this NOTE have the following provisions:
 - a. At least 30 days prior to the maturity date of this NOTE and 30 days prior to each five-year anniversary thereafter, or at any other time requested by the NOTE HOLDER, the MAKER shall provide:
 - i. Documentation of adjusted annual gross income on completed and filed 1040 Federal Tax Forms from the year previous to the maturity date (or equivalent documentation showing proof of income), and;
 - ii. Information regarding the current monthly housing costs, including payments on any senior lien on the subject real property to the Deed of Trust which is security for this NOTE, property taxes, homeowner's insurance and utilities.
 - b. If the MAKER's adjusted annual gross income is less than 80 percent of the San Joaquin County median income established by the Federal Government, or if the MAKER's current monthly housing costs are in excess of 35 percent of the MAKER's adjusted annual gross income divided by 12, the payment on the loan will remain unchanged for another five-year period. The loan shall continue to bear interest at the rate of 0% per annum.
 - c. If the MAKER's adjusted annual gross income is 80 percent or more of the San Joaquin County median income established by the Federal Government and if the MAKER's current monthly housing costs are not in excess of 35 percent of the MAKER's annual adjusted gross income divided by 12, the NOTE shall not immediately become due and payable; instead the NOTE or a portion of the NOTE shall be converted to a fully amortizing payment NOTE. The payment shall be calculated to be at the maximum amount of a monthly payment which will not cause the MAKER's monthly housing costs to exceed 35 percent of the MAKER's adjusted annual gross income divided by 12. The NOTE HOLDER, at its option, after consideration of the financial situation of the MAKER, may determine that all or some portion of the NOTE be DEFERRED for another five-year period. Any portion of the NOTE that is DEFERRED shall bear the same interest rate and any amortized portion shall be at 0% per annum.

Excluded from the operation of the above provisions are the following:

1. The sale, transfer by operation of law or otherwise, gift or devise of an interest in the subject real property by a joint tenant to another joint tenant so long as the joint tenancy existed at the time the loan was made and that at said time the vendor, transferor, donor or deviser and the vendee, transferee, donee, or the devisee were the record joint tenancy owners of an interest in the subject real property.
2. The sale, transfer by operation of law or otherwise, gift or devise of an interest in the subject real property by a tenant in common to another tenant in common so long as the tenancy in common existed at the time the loan was made and that at said time the vendor, transferor, donor or deviser and the vendee, transferee, donee, or the devisee were the record tenant in common owners of an interest in the subject real property.
3. The sale, transfer by operation of law or otherwise, gift or devise of an interest in the real property by one spouse to the other spouse.

Anything contained above to the contrary notwithstanding, cessation of owner(s) fulfillment of any of the obligations of the subject real property is one of the circumstances which, upon its occurrence, shall for all purposes be considered as establishing a due date.

Initial: _____

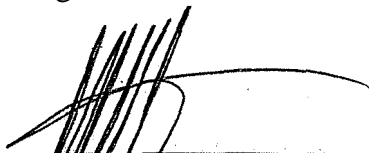


The HOLDER of this NOTE shall not have the right to sell, assign, or otherwise transfer, either in part or in its entirety, this NOTE, the Deed of Trust, and any other instrument(s) evidencing or securing the indebtedness of this NOTE to anyone without MAKER's consent.

This NOTE and all of the covenants, promises and agreements contained in it shall be binding on and inure to the benefit of the respective legal and personal representatives, devisees, heirs, successors, and assigns of the MAKER and the NOTE HOLDER.

Executed this 14th day of April, 2003,

Signature of MAKER:



R. J. Valenti, Executive Director
Affordable Renovated California Housing, Inc.

THIS NOTE IS SECURED BY A DEED OF TRUST DATED JANUARY 7, 2003

State of California }
 } ss.
County of San Joaquin }

On 6-11-03 before me, Janice Westerman,
NAME, TITLE OR OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

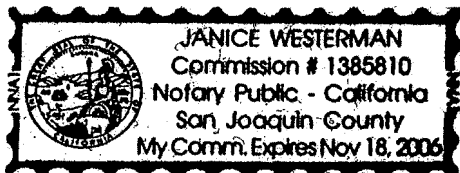
Notary Public, personally appeared R. J. Valenti,
NAME(S) OF SIGNER(S)

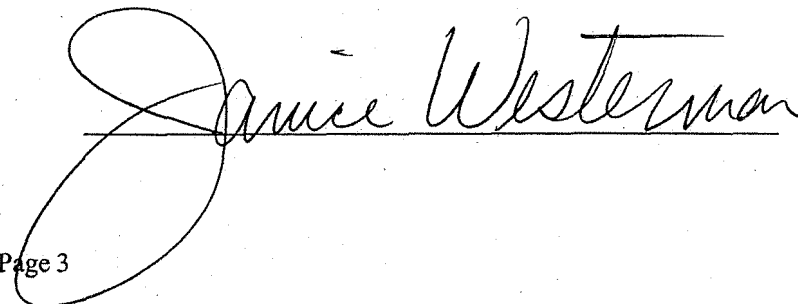
[] personally known to me; or

☒ proved to me on the basis of satisfactory evidence;

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.





Page 3

First American Title Co.

WHEN RECORDED MAIL TO

Jerry D. Becker
c/o Mortgage Market, Inc.
7001 Vaillage Parkway
Dublin, CA 94568

MAIL TAX STATEMENTS TO
Same as above

DOC # 2004-152757

07/12/2004 08:33A Fee:10.00

Page 1 of 2

Recorded in Official Records

County of San Joaquin

GARY W. FREEMAN

Assessor-Recorder-County Clerk

Paid by FIRST AMER TITLE CO



Trustee Sale No. NCS-77724-CC

Space above this line for recorder's use only
Title Order No. 2175441

TRUSTEE'S DEED UPON SALE

APN 047-070-10 T.R.A. No, 001-001

The undersigned grantor declares:

- 1) The Grantee herein was the foreclosing beneficiary and this is a first deed of trust.
- 2) The amount of the unpaid debt together with costs was\$204,890.01
- 3) The amount paid by the grantee at the trustee sale was.....\$188,340.01
- 4) The documentary transfer tax is\$-0-
- 5) Said property is in City of Lodi

and First American Title Insurance Company, a California Corporation (herein called Trustee), as the duly appointed Trustee under the Deed of Trust hereinafter described, does hereby grant and convey, but without covenant or warranty, express or Implied, to Jerry D. Becker, a married man (herein called Grantee), all of its right, title and interest in and to that certain property situated in the County of San Joaquin, State of California, described as follows:

Lot 1 as shown on that certain Map entitled, Tract No. 355, Mortenson Tract, filed for record November 13, 1953 in Book 13 of maps and Plats, Page 166, San Joaquin County Records,

RECITALS:

This conveyance is made pursuant to the powers conferred upon Trustee by that certain Deed of Trust dated 12/16/2002 and executed by Affordable Renovated California Housing, Inc., a California corporation, as Trustor, and Recorded on 12/19/2002 as Instrument Number 2002-228860 of official records of San Joaquin County, California, and after fulfillment of the conditions specified in said Deed of Trust authorizing this conveyance.

Default occurred as set forth in a Notice of Default and Election to Sell which was recorded in the Office of the Recorder of said County, and such default still existed at the time of sale.

All requirements of law regarding the mailing of copies of notices or the publication of a copy of the Notice of Default or the personal delivery of the copy of the Notice of Default and the posting and publication of copies of the Notice of a Sale have been complied with.

Trustee, in compliance with said Notice of Trustee's Sale and in exercise of its powers under said Deed of Trust, sold the herein described property at public auction on 07/01/2004.

THIS INSTRUMENT FILED FOR RECORD BY FIRST AMERICAN TITLE INSURANCE COMPANY AS AN ACCOMMODATION ONLY. IT HAS NOT BEEN EXAMINED AS TO ITS EXECUTION OR AS TO ITS EFFECT UPON THE TITLE.

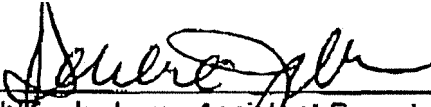
17544/983

Trustee Sale No. NCS-77724-CC
Title Order No. 2175441

Grantee, being the highest bidder at said sale, became the purchaser of said property for the amount bid being \$188,340.01 in lawful money of the United States, or by credit bid if the Grantee was the beneficiary of said Deed of Trust at the time of said Trustee's Sale.

DATE: 7/6/04

First American Title Insurance Company, as Trustee

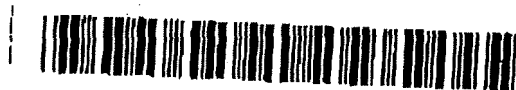
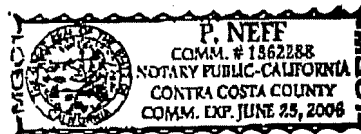

Debbie Jackson, Assistant Secretary

STATE OF California
COUNTY OF Contra Costa

On 7/6/04 before me, the undersigned, a Notary Public in and for said county, personally appeared Debbie Jackson personally known to me (or ~~proved~~ to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.


Notary Public in and for said County and State



2894-152757
07/12/2004 09:33A
2 of 2

PIRT

DATE OF POLICY 01/14/04 7:30 AM	COUNTY SAN JOAQUIN	BORROWER HOUSING, AFFORDABLE	POLICY NO. 53400160 -

TAX PARCEL NO. 047 070 10			ASSESSED VALUATION LAND \$45,000.00
1ST INSTALLMENT \$ 821.95 PENALTY 82.20	STATUS DELINQUENT	TAX YEAR 2003/2004	IMPROVEMENTS \$ 111,000.00
2ND INSTALLMENT \$ 821.95	STATUS OPEN	TOTAL TAXES \$ 1,643.90	EXEMPTION \$ 0.00

SEE ATTACHED DESCRIPTION

- D. That an examination of the chain of title to said land as disclosed by such Official Records reveals no homestead executed by the party(ies) named in paragraph B above, nor mortgages or liens purporting to affect said land, other than those set out below under Exceptions; provided, however, that no liability is assumed with respect to the identity of any party named or referred to in this Schedule, nor with respect to the validity, legal effect or priority of any matter shown as an Exception.

EXCEPTIONS

1. DEED OF TRUST IN THE AMOUNT OF \$180,000.00

TRUSTOR: AFFORDABLE RENOVATED CALIFORNIA HOUSING INC., A CALIFORNIA CORPORATION
 TRUSTEE: FIDELITY NATIONAL TITLE COMPANY OF CALIFORNIA, A CALIFORNIA CORPORATION
 BENEFICIARY: JERRY D. BECKER
 RECORDED: DECEMBER 19, 2002, AS DOCUMENT NO. 2002-228860, OFFICIAL RECORDS

2. DEED OF TRUST IN THE AMOUNT OF \$35,000.00

TRUSTOR: AFFORDABLE RENOVATED CALIFORNIA HOUSING, INC.
 TRUSTEE: SAN JOAQUIN COUNTY
 BENEFICIARY: SAN JOAQUIN COUNTY
 RECORDED: JANUARY 14, 2003, AS DOCUMENT NO. 2003-009295, OFFICIAL RECORDS

3. DEED OF TRUST IN THE AMOUNT OF \$35,000.00

TRUSTOR : AFFORDABLE RENOVATED CALIFORNIA HOUSING, INC.
TRUSTEE : SAN JOAQUIN COUNTY
BENEFICIARY : SAN JOAQUIN COUNTY
RECORDED : JANUARY 21, 2003, AS DOCUMENT NO. 2003-013289,
OFFICIAL RECORDS

4. DEED OF TRUST IN THE AMOUNT OF \$20,000.00

TRUSTOR : AFFORDABLE RENOVATED CALIFORNIA HOUSING, INC.
TRUSTEE : ROBERT L. JOHNSON
BENEFICIARY : ROBERT L. JOHNSON AND MONYA R. JOHNSON TRUSTEES OF THE
ROBERT L. JOHNSON AND MONYA R. JOHNSON TRUST, DATED
NOVEMBER 10, 2000
RECORDED : APRIL 23, 2003, AS DOCUMENT NO. 2003-086928, OFFICIAL
RECORDS

* * * END OF REPORT * * *

JJ/JJ
1-29-04

PLEASE SEND DOCUMENTS FOR RECORDING TO:

CHICAGO TITLE PIRT DEPARTMENT
3663 Arch Road Suite F
Stockton, CA 95215
Phone: (209) 476-4333
Fax: (209) 476-4355

DESCRIPTION

Order No. 53400160 -

LOT 1 AS SHOWN ON THAT CERTAIN MAP ENTITLED, TRACT NO. 355, MORTENSON TRACT, FILED FOR RECORD NOVEMBER 13, 1953 IN BOOK 13 OF MAPS AND PLATS, PAGE 166, SAN JOAQUIN COUNTY RECORDS.

CONDITIONS AND STIPULATIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

- (a) "insured": the insured name in Schedule A.
- (b) "insured claimant": an insured claiming **loss** or damage hereunder.
- (c) "loss or damage": the out of pocket loss suffered by the insured in reliance upon the assurances of this policy.
- (d) "knowledge": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of any public records.
- (e) "land": the land described, specifically or by reference in Schedule A, and improvements affixed thereto which by law constitute real property.
- (f) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

2. NOTICE OF CLAIM TO BE GIVEN BY AN INSURED CLAIMANT

The insured shall notify the Company promptly in writing in case knowledge shall come to an insured hereunder of any claim for which the Company may be liable by virtue of this policy. If such prompt notice shall not be given to the Company, then as to such insured all liability of the Company shall cease and terminate in regard to the matter or matters for which prompt notice is required: provided, however, that failure to notify shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by such failure and then only to the extent of such prejudice.

3. PROOF OF LOSS OR DAMAGE-LIMITATION OF ACTION

In addition to the notice required under Paragraph 2 of these Conditions and Stipulations, a proof of loss or damage, signed and sworn to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain or determine the facts giving **rise** to such loss or damage. Such proof of loss or damage shall describe the matter insured against by this policy which constitutes the basis of loss or damage, and, when appropriate, state the basis of calculating the amount of such loss or damage.

Should such proof of loss or damage fail to state the facts sufficient to enable the Company to determine its liability hereunder, insured claimant, at the written request of the Company, shall furnish such additional information as may be reasonably be necessary to make such determination.

No right of action shall accrue to insured claimant until 30 days after such proof of loss or damage shall have been furnished.

Failure to furnish such proof of loss or damage shall terminate any liability of the Company under this policy as to such loss or damage.

4. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS

The Company shall have the option to pay or otherwise settle for or in the name of an insured claimant any claim insured against, or to terminate all liability and obligations of the Company hereunder by paying or tendering payment of the amount of loss or damage or the amount of insurance under this policy.

5. DETERMINATION AND PAYMENT OF LOSS

(a) The liability of the Company under this policy shall in no case exceed the least of:

- (i) the actual loss of the insured claimant because of reliance on the assurances herein set forth; or
- (ii) the amount of insurance stated in Schedule A.

(b) When the amount of loss or damage has been definitely fixed in accordance with the conditions of the policy, the loss or damage shall be payable within 30 days thereafter.

6. LIMITATION OF LIABILITY

No claim shall arise or be maintainable under this policy (a) if the Company, after having received notice of an alleged lien or mortgage insured against hereunder, by litigation or otherwise, removes such lien or mortgage within a reasonable time after receipt of such notice; (b) in the event of litigation, until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the assurances of this policy; or (c) for the liability voluntarily admitted or assumed by an insured without prior written consent of the Company.

7. REDUCTION OF INSURANCE TERMINATION OF LIABILITY

All payments under this policy, shall reduce the amount of the insurance pro tanto.

8. SUBROGATION UPON PAYMENT OR SETTLEMENT

Whenever the Company shall have paid or settled a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant. The Company shall be subrogated to and be entitled to all rights and remedies which such insured claimant would have had against any person or property in respect to such claim had this policy not been issued, and the Company is hereby authorized and empowered to sue, compromise or settle in its name or in the name of the insured to the full extent of the loss sustained by the Company. If requested, the insured shall execute any and all documents to evidence the within subrogation. If the payment does not cover the loss of such insured claimant, the Company shall be subrogated to such rights and remedies in the proportion which said payment bears to the amount of said **loss**. If loss should result from any act of such insured claimant, such act shall not void this policy, but the Company, in that event, shall as to such insured claimant be required to pay only that part of any losses insured against hereunder which shall exceed the amount, if any, lost to the Company by reason of the impairment of the right of subrogation.

9. LIABILITY LIMITED TO THIS POLICY

This instrument together with all endorsements and other instruments, if any, attached hereto by the Company is the entire policy and contract between the insured and the Company.

Any claim of loss or damage, whether or not based on negligence, or any action asserting such claim, shall be restricted to the provisions and conditions and stipulations of this policy.

No amendment of or endorsement to this policy can be made except by writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

No payment shall be made without producing this policy for endorsement of such payment unless the policy be lost or destroyed, in which case proof of such loss or destruction shall be furnished to the satisfaction of the Company.

10. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at the office which issued this policy or to:

**CHICAGO TITLE INSURANCE COMPANY
CLAIMS DEPARTMENT
171 North Clark
Chicago, IL 60601-3294**

To: **Chicago Title Company**

PIRT Policy No. _____

Date _____

RECORDING INSTRUCTIONS

The following documents are handed you for recording in the office of the Recorder of _____ County. You are to make no demand in connection therewith, and you are relieved of any liability and responsibility as to the validity, priority, sufficiency and effect of said documents. Please forward the documents to the County recorder in accordance with the instructions below.

DOCUMENT	FIRST PARTY (BORROWER)	SECOND PARTY (LENDER)	RECORDING FEE

PLEASE MARK THE APPROPRIATE BOXES

- ☐ 1. Please record the above documents as soon as possible.
- ☐ 2. Please record the above documents on _____. (Date)
- ☐ 3. Please fax confirmation after recordation of said documents. (See fax no. below)
- ☐ 4. Please advance funds for recording and bill the undersigned.
- ☐ 5. Enclosed is our check made payable to CHICAGO TITLE COMPANY for the Total of Policy and Recording Fees in the amount of \$ _____
- ☐ 6. Please date down and issue your Continuation Endorsement following recordation of said documents.
- ☐ 7. Please date down and issue your Updated PIRT following recordation of said documents and bill the undersigned. I understand the charge is \$30.00.
- ☐ 8. Please issue your Revolving Credit, Variable Rate Endorsement (RCVE).
- ☐ 9. Please issue your Revolving Credit, Variable Rate Extension Endorsement (RCVEX). I understand that I must have an updated PIRT for \$30.00 if it is less than 6 months since the original policy or a reissued policy @ \$100.00 if it has been more than 6 months. There is no additional cost for the endorsement itself.

Lender's Name		Branch	
Street Address		City, State	Zip
Submitted By (leaseprint)		Telephone Area Code	Fax Area Code
Submitted By (lease sign)			Lender's Reference

CHICAGO 'TITLE INSURANCE COMPANY

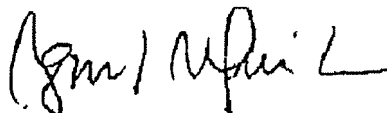
POLICY OF INSURANCE OF RECORD TITLE

CHICAGO TITLE INSURANCE COMPANY

SUBJECT TO THE CONDITIONS AND STIPULATIONS HEREOF, CHICAGO TITLE INSURANCE COMPANY, a Missouri corporation, herein called the Company, insures the insured, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the amount of insurance stated in Schedule A, sustained or incurred by said insured by reason of any incorrectness of the assurances set forth in Schedule A.

CHICAGO TITLE INSURANCE COMPANY

By:



RANDY QUIRK
President

Attest:



TODD JOHNSON
Secretary



POLICY OF INSURANCE OF RECORD TITLE (PIRT)

1. AA# _____
2. JV# _____

**CITY OF LODI
APPROPRIATION ADJUSTMENT REQUEST**

6. REQUEST ADJUSTMENT OF APPROPRIATION AS LISTED BELOW

	FUND #	BUS. UNIT #	ACCOUNT #	ACCOUNT TITLE	AMOUNT
A. SOURCE OF FINANCING	1211		3205	Fund Balance	\$ 75,000.00
B. USE OF FINANCING	1211	1211041	1836.2300	Reimbursement to SJ County	\$ 75,000.00

7. REQUEST IS MADE TO FUND THE FOLLOWING PROJECT NOT INCLUDED IN THE CURRENT BUDGET

Please provide a description of the project, the total cost of the project, as well as justification for the requested amount. If you need more space, use an additional sheet and attach to this form.

In 2001, the City of Lodi provided an allocation of **HOME** Program funds (\$75,000) to ARCH, Inc., an affordable housing developer for the acquisition, rehabilitation and sale of residential properties to create affordable housing units. The developer acquired two properties using funds from a private investor and started rehabilitation of those dwellings with the **HOME** funds. The developer eventually lost those two properties in foreclosure before the rehabilitation was complete. As **HOME** Program funds were used but no affordable units created, the City is responsible to repay the \$75,000 to the **HOME** Program/San Joaquin County. The funds repaid to San Joaquin County will be available for the City to use on an eligible **HOME** project or activity.

If Council has authorized the appropriation adjustment, complete the following:

Meeting Date: _____ Res No: _____ Attach copy of resolution to this form.

Department Head Signature: _____

8. APPROVAL SIGNATURES

Deputy City Manager/Internal Services Manager

Date

Submit completed form to the Budget Division with any required documentation.
Final approval will be provided in electronic copy format.

RESOLUTION NO. 2011-40

A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING REPAYMENT OF HOME PROGRAM
FUNDS TO SAN JOAQUIN COUNTY AND
APPROPRIATING FUNDS

=====

WHEREAS, in 2001, the City of Lodi was a participant in the Urban County Agreement to receive federal Community Development Block Grant (CDBG) and HOME Program funding from the U.S. Department of Housing and Urban Development (HUD) through San Joaquin County; and Urban County Community has determined that the City of Lodi, California, is entitled to Community Development Block Grant (CDBG) as an entitlement community for fiscal year 2010/11 Federal allocation; and

WHEREAS, the City Council allocated \$75,000 in HOME Program funds to Affordable Renovated California Housing, Inc (ARCH) as part of the 2001/02 allocation process for the acquisition, rehabilitation, and resale of residential properties, preferably on Lodi's Eastside, to create affordable housing units; and

WHEREAS, ARCH did acquire properties at 1301 S. Washington Street and 460 Elgin Avenue with funds leveraged from a private investor and started the rehabilitation of the two residential units using the HOME Program funds before eventually losing both properties in foreclosure in 2004 before completing the rehabilitation work; and

WHEREAS, no affordable housing units were created after the expenditure of HOME Program funding, the City of Lodi is responsible for repayment of \$75,000 to the HOME Program from a non-federal funding source; and

WHEREAS, staff recommends that the City Council authorize the repayment of \$75,000 to San Joaquin County and that funds be appropriated from the General Fund Capital Outlay account.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi does hereby approve repayment of \$75,000 to San Joaquin County to replace the HOME Program funds: and

BE IT FURTHER RESOLVED that the City Council does also approve the appropriation of funds from the General Fund Capital Outlay account.

Dated: March 16, 2011

=====


I hereby certify that Resolution No. 2011-40 was passed and adopted by the City Council of the City of Lodi in a regular meeting held March 16, 2011, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Katzakian, Mounce, Nakanishi, and Mayor Johnson

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


RANDI JOEL
City Clerk

Repayment of HOME Program Funds

March 16, 2011

Presented by

Community Development Department

Repayment of HOME Funds

- 2001 - Annual HOME allocation process
 - \$75,000 to Affordable Renovated California Housing, Inc. (ARCH)
 - Purchase, renovate and resell residential properties.
- 2002 - ARCH acquired two properties.
 - Used investor's funds to acquire and HOME funds to rehabilitate.

Repayment of HOME Funds

- 2004 - County Notified of Foreclosure Process
 - ARCH has fallen behind on primary investor's note.
 - HOME funds had already been spent on rehab work that was incomplete.
- County Presented Two Options for City
 - Assume primary loan, hire contractor to complete renovation, sell as affordable units; or
 - Allow foreclosure to proceed.

Repayment of HOME Funds

- Decision was made to allow foreclosure to proceed.
 - City did not have funding available to assume primary note and complete renovations.
- As a result, since no affordable units had been created, HOME funds need to be repaid from a non-federal source.
 - Repaid HOME funds would be program income that remains at City's disposal.

Repayment of HOME Funds

- Waiting for opportunity to repay funds.
 - Sale of Tienda Drive property to Eden Housing provided that opportunity.
 - \$630,000 to General Fund Capital Outlay
 - \$555,000 earmarked for development of Roget Park.
- Reallocation of the \$75,000 as Program Income will be done at a subsequent Public Hearing.

Repayment of HOME Funds

- Recommended Action
 - Adopt Resolution authorizing repayment of HOME Program funds to San Joaquin County, and further the appropriation of funds from the General Fund Capital Outlay account.